GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA

UNSTARRED QUESTION NO:1923
ANSWERED ON:14.03.2017
Cases of Overcharging
Sigriwal Shri Janardan Singh

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether cases of overcharging are pending against various pharmaceutical companies in the country and if so, the details thereof;

(b) whether the Government has taken any action against such companies so far;

(c) if so, the details in this regard, company-wise;

(d) the details of overcharged amount recovered so far by the Government from each of such companies during 2014-15 and 2015-16 and in the current financial year; and

(e) the steps taken by the Government to check recurrence of such activities by the pharmaceutical companies in the country?

Answer

MINISTER OF STATE IN THE MINISTRY OF ROAD TRANSPORT AND HIGHWAYS; MINISTRY OF SHIPPING AND MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI MANSUKH L. MANDAVIYA)

(a) to (d): Yes, Madam, Since inception of National Pharmaceutical Pricing Authority (NPPA), 1527 demand notices (including suo-moto deposits) have been issued to pharmaceutical companies for their having overcharged patients on the sale of formulations at prices above the ceiling price notified by NPPA. Demand Notices have been issued for an amount of Rs.5038.72 crore. Amount to the tune of Rs. 672.28 crore has been deposited by the companies to the Government. An amount of Rs. 3469.91 crore is under litigation. The demand notices are issued under various provisions of Drugs (Prices Control) Order, 1995 (DPCO, 1995) and Drugs (Prices Control) Order, 2013 (DPCO, 2013) read with Section 7A of Essential Commodities Act, 1955. The Detailed list of overcharging cases where demand notices have been issued is available on NPPA website www.nppa.nic.in.

An amount to the tune of Rs.90.17 crore, Rs.12.36 crore and Rs.294.84 crore respectively have been recovered from the companies as overcharged amount during 2014-15, 2015-16 and current year upto February 2017.

(e): NPPA monitors the prices of both scheduled and non-scheduled formulations on regular basis to check recurrence of overcharging by pharmaceutical companies.

****